

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
Washington 25, D. C.

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June 16, 1948

Administrative Bulletin

SUBJECT: Policy with Respect to Loans for Replacements of
Borrowers' Property

The policy of the Rural Electrification Administration with respect to loans for replacements of borrowers' property is as set forth herein.

1. Loans, as a matter of general policy, will not be made for the purpose of replacing like units of property made necessary because of normal depreciation and wearing out of facilities. If replacement units have different characteristics from units being retired, the Administrator will consider applications for funds to finance any increase in the cost of such units over units having characteristics identical or comparable to those being retired. Replacements of property made necessary by abnormal conditions, such as severe storms, may be financed with loan funds, depending on the circumstances in each particular case.
2. This Bulletin supersedes the Administrative Bulletin entitled: "Policy with Respect to Use of General Funds by Borrowers for Extensions or Additions to and Replacements of Their Property and with Respect to Loan Funds in Relation Thereto", dated June 10, 1948, and all other existing instructions in conflict with the provisions of this Bulletin.

Claude R. Wickard
Administrator

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